

AMENDED IN SENATE MARCH 29, 2005

SENATE BILL

No. 658

Introduced by Senator Kuehl

February 22, 2005

~~An act to add Section 31121 to the Public Resources Code, relating to coastal resources. An act to amend Section 31012 of, and to add and repeal Chapter 10 (commencing with Section 31500) of Division 21 of, the Public Resources Code, and to add and repeal Section 9250.20 of the Vehicle Code, relating to coastal resources, and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 658, as amended, Kuehl. ~~State Coastal Conservancy: local grants~~ *Environment Motor Vehicle Mitigation Program.*

Existing law establishes the State Coastal Conservancy with prescribed powers and responsibilities for implementing a program of agricultural land protection, area restoration, and resource enhancement within the coastal zone, as defined. Under existing law, the conservancy is authorized to provide grants to local public agencies and nonprofit organizations. *Existing law authorizes the Department of Motor Vehicles, if requested by a county air pollution control district, air quality management district, or unified regional air pollution control district to collect specified fees upon the registration or renewal of registration of any motor vehicle registered in the district, except as provided, to be used for the reduction of air pollution from motor vehicles, as specified.*

This bill would ~~authorize the State Coastal Conservancy to condition a grant to a local public agency upon the acceptance and opening to the public by the local public agency of an offer to dedicate real property that was provided as a mitigation condition by a development project~~ *establish the Coastal Environment Motor Vehicle*

Mitigation Program, which, until January 1, 2020, would authorize the conservancy to request that the Department of Motor Vehicles collect a fee of up to \$6, upon the registration or renewal of registration of every motor vehicle registered in an eligible county that elects to participate in the program, as provided. The bill would create the Coastal Environment Motor Vehicle Mitigation Account in the Coastal Trust Fund, for the purpose of receiving and disbursing funds derived from those fees collected by the Department of Motor Vehicles. The bill would provide that funds in the account shall be continuously appropriated, without regard to fiscal year, to the conservancy for the purposes of the program. The bill would authorize the conservancy, and the counties to which a specified percentage of the fee revenues would be transferred, to expend the moneys in the account for specified purposes related to the implementation and funding of projects and grants intended to prevent, reduce, remediate, or mitigate the adverse environmental effects of motor vehicles and their associated facilities and infrastructure, as provided. The bill would prohibit the expenditure of money in the account in any county that does not elect to participate in the program. The bill would also require the conservancy and each county that participates in the program, as applicable, to, at least once every 2 years, jointly undertake an audit of projects and grants expended in that county or for which that county is responsible, and that are funded, in whole, or in part, by moneys from the account.

Vote: majority. Appropriation: ~~no~~-yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. Section 31121 is added to the Public Resources~~
- 2 ~~Code, to read:~~
- 3 ~~31121. The conservancy may condition a grant to a local~~
- 4 ~~public agency upon the acceptance and opening to the public by~~
- 5 ~~the local public agency of an offer to dedicate real property that~~
- 6 ~~was provided as a mitigation condition by a development project.~~
- 7 ~~SECTION 1. The Legislature finds and declares all of the~~
- 8 ~~following:~~
- 9 ~~(a) The California coast and the San Francisco Bay comprise~~
- 10 ~~an extraordinary and environmentally precious area that faces~~
- 11 ~~unique environmental challenges as a direct result of population~~

1 growth and the attendant rise in the number of motor vehicles
2 and their related facilities and infrastructure.

3 (b) Nearly 20 million motor vehicles are currently registered
4 in the counties adjacent to the Pacific Ocean and San Francisco
5 Bay, and an extensive network of streets, highways, bridges, and
6 associated infrastructure has been constructed to accommodate
7 these vehicles.

8 (c) Motor vehicles and their associated facilities and
9 infrastructure, including, but not limited to, highways, streets,
10 roads, and parking lots, contribute to a variety of adverse
11 consequences to the coastal, bay, and ocean environment of
12 California, which affects significant state resources, including,
13 but not limited to, river, bay, and ocean water quality, wetlands,
14 fish and wildlife habitat, coastal beaches, and the health of
15 humans, fish, and wildlife.

16 (d) A fee not exceeding six dollars (\$6) should be imposed
17 upon the registration or registration renewal of every motor
18 vehicle registered in a county that elects to participate in the
19 program established pursuant to Chapter 10 (commencing with
20 Section 31500) of Division 21 of the Public Resources Code. The
21 imposition of this fee is fair and reasonable in relation to the
22 adverse environmental impacts imposed by motor vehicles and
23 their associated facilities and infrastructure, given that the cost
24 of remedying these environmental impacts is significantly greater
25 than the amount of revenues that would be raised by that fee, and
26 substantial revenues from nonmotor vehicle fees and taxes, the
27 sale and issuance of state bonds, the imposition of civil penalties
28 for violations of specified statutes, and private donations are also
29 being expended pursuant to other provisions for these purposes.

30 (e) A fee imposed upon the registration or registration
31 renewal of every motor vehicle registered in an eligible county
32 participating in the program established pursuant to Chapter 10
33 (commencing with Section 31500) of Division 21 of the Public
34 Resources Code would be used to remedy the environmental
35 impacts caused by motor vehicles and their associated facilities
36 and infrastructure, and would not result in the imposition of a tax
37 within the meaning of Article XIII A of the California
38 Constitution because the amount and nature of the fee would
39 have a fair and reasonable relationship to those environmental
40 impacts, and there is a sufficient nexus between the imposition of

1 *the fee and the use of revenues from the fee to support the*
2 *prevention, reduction, remediation, and mitigation of the adverse*
3 *water quality and other environmental impacts caused by motor*
4 *vehicles.*

5 SEC. 2. Section 31012 of the Public Resources Code is
6 amended to read:

7 31012. (a) The Coastal Trust Fund is hereby established in
8 the State Treasury, to receive and disburse funds paid to the
9 conservancy in trust, subject to the right of recovery to fulfill the
10 purposes of the trust, as provided in this section.

11 (b) (1) There is in the Coastal Trust Fund the San Francisco
12 Bay Area Conservancy Program Account, which shall be
13 expended solely for the purposes of Chapter 4.5 (commencing
14 with Section 31160).

15 (2) The conservancy shall deposit in the San Francisco Bay
16 Area Conservancy Program Account all funds received by the
17 conservancy for the purposes of the San Francisco Bay Area
18 Conservancy Program established under Chapter 4.5
19 (commencing with Section 31160), from sources other than the
20 state or federal government and not provided for in subdivision
21 (a) of Section 31164. These funds include, but are not limited to,
22 private donations, fees, penalties, and local government
23 contributions.

24 (c) (1) There is in the Coastal Trust Fund the Coastal Program
25 Account. Funds in the Coastal Program Account shall be
26 expended solely for their specified trust purposes.

27 (2) Upon approval of the Department of Finance, the
28 conservancy shall deposit in the Coastal Program Account all
29 funds paid to the conservancy in trust for purposes of this
30 division, except those funds identified in paragraph (2) of
31 subdivision (b), *and those funds deposited in the Coastal*
32 *Environment Motor Vehicle Mitigation Account pursuant to*
33 *Section 31500.* The funds that shall be deposited in the Coastal
34 Program Account, upon that approval, include, but are not
35 limited to, funds that are paid to the conservancy in trust for
36 purposes of mitigation, for settlement of litigation, instead of
37 other conditions of coastal development permits or other
38 regulatory entitlements, or for other trust purposes consistent
39 with this division and specified by the terms of a gift or contract.
40 Funds in the Coastal Program Account shall be separately

accounted for according to their source and trust purpose. Funds may not be deposited in the Coastal Program Account without the Department of Finance's approval.

(d) Interest that accrues on funds in the Coastal Trust Fund shall be retained in the Coastal Trust Fund and available for expenditure by the conservancy for the trust purposes.

(e) The conservancy shall maintain separate accountings of funds within the Coastal Trust Fund, pursuant to its fiduciary duties, for the purpose of separating deposits and interest on those deposits, according to their trust purposes.

(f) Notwithstanding Section 13340 of the Government Code, all funds in the Coastal Trust Fund are continuously appropriated, without regard to fiscal year, to the conservancy to fulfill the trust purposes for which the payments of funds were made.

(g) The conservancy shall provide an annual accounting to the Department of Finance of the conservancy's expenditures from, and other activities related to, the Coastal Trust Fund.

SEC. 3. Chapter 10 (commencing with Section 31500) is added to Division 21 of the Public Resources Code, to read:

**CHAPTER 10. COASTAL ENVIRONMENT MOTOR VEHICLE
MITIGATION PROGRAM**

31500. (a) (1) The Coastal Environment Motor Vehicle Mitigation Account is hereby created in the Coastal Trust Fund established pursuant to Section 31012, for the purpose of receiving and disbursing funds derived from fees collected by the Department of Motor Vehicles pursuant to Section 9250.20 of the Vehicle Code. Notwithstanding Section 13340 of the Government Code, funds in this account are continuously appropriated, without regard to fiscal year, to the conservancy, for expenditure for the purposes specified in Section 31510. Funds shall not be expended from this account for an activity that would require a legal commitment of state funds on or after January 1, 2020. All reimbursements, proceeds of sale, or other money received by the conservancy as a result of expenditures from this account shall be redeposited in this account.

(2) The conservancy shall annually transfer, to each county that has elected to participate in the program pursuant to

1 subdivision (c), 30 percent of the balance of the funds collected
2 from fees imposed pursuant to Section 9250.20 of the Vehicle
3 Code that are deposited into that account that are generated by
4 that participating county. These counties may use these revenues
5 for the purposes, and subject to the conditions, described in
6 Section 31510.

7 (b) The conservancy is not required to undertake any activities
8 pursuant to this chapter until the time that funds generated
9 through this program are deposited in the account.

10 (c) The conservancy may request that the Department of
11 Motor Vehicles collect a fee of up to six dollars (\$6) upon the
12 registration or renewal of registration of every motor vehicle
13 registered in each eligible county that elects to participate in the
14 program established by this chapter. Pursuant to the procedures
15 set forth in Section 9250.20 of the Vehicle Code, the Department
16 of Motor Vehicles may begin collection only after five or more
17 eligible counties elect to participate. Eligible counties include
18 those counties that are, in whole or in part, within the
19 jurisdiction of the conservancy, including the Counties of
20 Alameda, Contra Costa, Del Norte, Humboldt, Los Angeles,
21 Marin, Mendocino, Monterey, Napa, Orange, San Diego, San
22 Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa
23 Clara, Santa Cruz, Solano, Sonoma, and Ventura. A county may
24 elect to participate in the program upon the adoption of a
25 resolution by a majority vote of the membership of its board of
26 supervisors. If the amount of fees collected by the Department of
27 Motor Vehicles exceeds the reasonable cost of fulfilling the
28 purposes of this section as determined by the conservancy or any
29 participating county pursuant to an audit conducted in
30 accordance with Section 31530, the conservancy shall request a
31 reduced fee level to be collected by the Department of Motor
32 Vehicles in the subsequent fiscal year.

33 31510. (a) The funds deposited in the Coastal Environment
34 Motor Vehicle Mitigation Account may only be used only for the
35 purpose of administering and funding projects and grants that
36 prevent, reduce, remediate, or mitigate the adverse
37 environmental effects of motor vehicles and their associated
38 facilities and infrastructure, consistent with Section 2 of Article
39 XIX of the California Constitution. The requirements of Section
40 31520 shall apply to all funds expended pursuant to this chapter.

1 (b) Up to 5 percent of the funds deposited into the Coastal
2 Environment Motor Vehicle Mitigation Account may be used to
3 reimburse the conservancy for administrative costs incurred by
4 the conservancy in implementing and administering this chapter.

5 (c) Funds from the Coastal Environment Motor Vehicle
6 Mitigation Account may not be used to fund any part of a project
7 or activity required to satisfy a condition imposed by a permit,
8 license, certificate, or other entitlement that is not issued
9 primarily for the purposes described in this chapter. A permit,
10 license, certificate, or entitlement required for a project funded,
11 in whole or in part, from funds in the account, shall be issued by
12 one or more public agencies, and may include, but is not limited
13 to, the mitigation of significant effects on the environment of a
14 project pursuant to an approved environmental impact report or
15 mitigated negative declaration required pursuant to the
16 California Environmental Quality Act (Division 13 (commencing
17 with Section 21000)). Funds from the account may also be used
18 to support public projects or activities that are included in the
19 implementation measures of a county's Municipal Storm Water
20 National Pollutant Discharge Elimination System Permit issued
21 by a regional water quality control board.

22 (d) Priority shall be given to those projects and grants that
23 accomplish the purposes of this chapter through the long-term
24 protection and restoration of natural resources and natural
25 systems affected by motor vehicles and their associated facilities
26 and infrastructure, or the long-term reduction in the level of
27 environmental effects generated by motor vehicles and their
28 associated facilities and infrastructure.

29 (e) To the extent feasible, the services of the California
30 Conservation Corps, and the Community Conservation Corps, as
31 defined in Section 14507.5, and of any nonprofit organization
32 that the administering entity of one of the corps determines has
33 the relevant and demonstrated capacity and expertise, shall be
34 utilized to carry out the purposes of this section.

35 (f) Before making funds available for a grant or project
36 pursuant to this section, the conservancy or a participating
37 county, as appropriate, shall make findings that the expenditure
38 of funds is consistent with the requirements of this chapter.

39 31520. (a) Notwithstanding Section 31006, funds in the
40 Coastal Environment Motor Vehicle Mitigation Account shall be

1 expended for countywide projects within those counties that elect
2 to participate in the program pursuant to subdivision (c) of
3 Section 31500. Funds in the Coastal Environment Motor Vehicle
4 Mitigation Account may not be expended in a county that does
5 not elect to participate in the program pursuant to Section
6 31500. No funds in the Coastal Environment Motor Vehicle
7 Mitigation Account may be transferred pursuant to Section 2796
8 of the Fish and Game Code, or used to offset a reduction in any
9 other source of funds for the purposes authorized under this
10 chapter.

11 (b) Funds shall be expended by the conservancy for projects
12 and grants in a manner that, over any two consecutive two-year
13 periods, as determined in accordance with the audit required by
14 Section 31530, is proportional to the revenues collected in each
15 participating county pursuant to Section 9250.20 of the Vehicle
16 Code for vehicles registered in that county.

17 31530. The conservancy and each county that participates in
18 the program shall, at least once every two years, jointly
19 undertake an audit of the program of projects and grants
20 expended in that county or for which that county is responsible
21 that are funded, in whole or in part, by moneys from the Coastal
22 Environment Motor Vehicle Mitigation Account. The audit shall,
23 at a minimum, evaluate the degree to which resources adversely
24 impacted by motor vehicles and motor vehicle-related facilities
25 and infrastructure have been protected, restored, remediated,
26 reduced or rehabilitated, the level of matching funds obtained,
27 and the distribution of funds and projected benefits, by county.
28 The findings of the audit shall be made available to the
29 Legislature, participating counties, other interested agencies,
30 and the public.

31 31531. This chapter shall remain in effect only until January
32 1, 2020, and as of that date is repealed, unless a later enacted
33 statute, that is enacted before January 1, 2020, deletes or extends
34 that date.

35 SEC. 4. Section 9250.20 is added to the Vehicle Code, to
36 read:

37 9250.20. (a) In addition to any fees specified in this code and
38 the Revenue and Taxation Code, upon the adoption of a
39 resolution by any county board of supervisors, and if requested
40 by the State Coastal Conservancy pursuant to Section 31500 of

1 *the Public Resources Code, the department shall collect a fee of*
 2 *up to six dollars (\$6), to be paid upon the registration or renewal*
 3 *of registration of every motor vehicle registered to an address*
 4 *within that county, except those expressly exempted from*
 5 *payment of registration fees. The fees, after deduction of the*
 6 *administrative costs incurred by the department in carrying out*
 7 *this section, shall be paid quarterly to the Controller. The*
 8 *department shall begin collecting the fee in each county on the*
 9 *January 1 immediately following the date the department*
 10 *receives the request to do so from the State Coastal Conservancy.*
 11 *The fee shall be included by the department in any fee statement*
 12 *or notice as part of its designation of county or district fees.*

13 *(b) After deducting for the necessary and reasonable costs*
 14 *incurred by the department pursuant to this section up to*
 15 *one-half cent (\$0.005) for every registration transaction,*
 16 *including the department's initial costs incurred to impose and*
 17 *collect the fee in each county, the department shall remit the*
 18 *balance of the revenues received pursuant to this section to the*
 19 *Controller. Except as provided in subdivision (c), the Controller*
 20 *shall deposit those revenues in the Coastal Environment Motor*
 21 *Vehicle Mitigation Account, established pursuant to paragraph*
 22 *(1) of subdivision (a) of Section 31500 of the Public Resources*
 23 *Code. The department shall, upon remittance, notify the*
 24 *Controller, the State Coastal Conservancy, and any participating*
 25 *county of the total amount remitted from each participating*
 26 *county.*

27 *(c) Notwithstanding Section 13340 of the Government Code,*
 28 *of the money paid to the Controller there is continuously*
 29 *appropriated to the Controller pursuant to subdivision (b),*
 30 *without regard to fiscal years, the amount necessary to pay for*
 31 *the administrative costs of the Controller in administering this*
 32 *section.*

33 *(d) This section shall remain in effect only until January 1,*
 34 *2020, and as of that date is repealed, unless a later enacted*
 35 *statute, that is enacted before January 1, 2020, deletes or extends*
 36 *that date.*